

3 February 1964
Refer: SD-599

25X1A

To: [REDACTED]
Subject: GFP Lenses
"A" Follow-On Program
Contract FI-5777

Dear Art:

STATINTL Pursuant to discussions held with [REDACTED] and staff relative to the financial consideration for the 3" Geocon lenses supplied GFP by the Government, FSDS proposes to credit Contract FI-5777 in the amount of 25X1A [REDACTED] for each lens element supplied.

The total sales price indicated above is computed as follows:

Acquisition Cost, 3" Geocon
Lens, Perkin-Elmer

25X1A

G. & A. at [REDACTED] *in basic ct.*

Subtotal

25X1A

Profit [REDACTED] *basic ct.*

Total Sales Price

25X1A



*Confirmed by
review of FSDS
Purchase Order
to P.E.*

The G. & A. and Profit rates utilized for computing the total sales price indicated above are those quoted and negotiated on Contract FI-5777. The Acquisition Cost, as stated, is the negotiated fixed price for the lens units contracted with Perkin-Elmer on FSDS Purchase Order 61103-1232-21, dated August 6, 1963.

The proposed credit does not take into consideration the additional cost experienced on this program for the necessary barrel transfer that has to be accomplished to obtain system compatibility on the GFP lenses. The fact that FSDS is under a fixed price contract with the Government for the four "A" Systems presents a rather unique situation from the standpoint of whether or not the barrel transfer cost can be considered outside the framework of this contract. Recognizing the fact that GFP lenses were supplied in order to insure the accelerated delivery schedule of the "A" Systems, the additional costs for the barrel transfer nevertheless, in FSDS' opinion, are beyond the scope negotiated and, as such, are subject to negotiation.

Loeffler

To: [REDACTED] 25X1A

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I would appreciate your concurrence and comments to the above proposals as stated, and if found acceptable, an adjustment to the contract price can be made with the submission of the final invoice.

Thank you for your cooperation in this matter, and I look forward to hearing from you in the near future.

Very truly yours,

[REDACTED]

STATINTL

GBS:aw

cc: [REDACTED] STATINTL